

The Falic Family Foundation, Inc.

6100 Hollywood Blvd., 7th Floor, Hollywood, Florida 33024

David Taney, Esq.
General Counsel

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Via E-mail

Josef Federman

Dear Mr. Federman,

By way of background, I serve as legal counsel to Mr. Simon Falic and the Falic Family Foundation. Thank you for reaching out to Mr. Falic regarding the story you are putting together. Mr. Falic appreciates the opportunity to respond to your questions. Because of the upstanding reputation of the Associated Press, he has agreed to provide you with detailed responses. While we are sure that you will use Mr. Falic's quotes as you deem appropriate, we ask that Mr. Falic's response to the first question – regarding his general philosophy – be published in its entirety and that none of his other quotes be taken out of context.

The responses between the dotted lines below have been provided by Mr. Simon Falic and are "on the record." We have also included several letters for your review and use.

Q. What is your general philosophy to giving in the US and in Israel?

The overriding philosophy of our family comes from the Bible, which establishes the creation of all humanity in G-d's image. Every Jew has an obligation to give 10% of his or her income to charity. As a family, we are proud to donate to many causes that are important to us, including Children's Tumor Foundation, National Multiple Sclerosis Foundation, Breast Cancer Research Foundation, Nicklaus Children's Hospital, and other important and noble organizations. We have a strong love and connection to Israel and its people. As Yehuda HaLevi said, "my heart is in the East." As such, my family and I have been fortunate to support great organizations that affect lives in Israel, including the Women's International Zionist Organization (WIZO), which is dedicated to social welfare in all sectors of Israeli society and is focused primarily on underprivileged children and battered women, as well as ALEH, which provides medical, educational and rehabilitative care for children with intellectual and developmental disabilities and medical complications. We also are honored to donate to the Friends of the IDF (FIDF), which supports the welfare of Israel's soldiers during their army service and, in many instances, afterwards.

I also firmly believe that Jews have the right to live anywhere in the world. For that reason, the idea that the mere existence of Jewish life in any geographical area is an impediment

to peace makes no sense to us. We are proud to support organizations that help promote Jewish life all over the land of Israel, including the capital of King David and King Solomon, Jerusalem; the first capital of the Land of Israel, Shiloh; the burial place of our patriarchs and matriarchs, Hebron – and everywhere in between. It is important to note that the promotion of Jewish life, in our opinion, does not and should not imply the exclusion of anyone else, including Christians and Muslims. We believe deeply in respect for all people.

While hundreds of rockets continue to be fired indiscriminately at innocent civilians in Israel, it is imperative that we all do what we can to strengthen and ensure the safety of the State of Israel. My family and I endeavor to help those who need it most, to build institutions, and to continue to support Jewish life throughout the entire Land of Israel.

To our family, “Never Again” is not a mantra but a call to action. We do not court controversy when it comes to backing individuals or causes in Israel or the U.S. who act courageously in the face of anti-Semitism, anti-Zionism, racism, or any other form of discrimination. We are, however, unabashed lovers and supporters of Israel, and find it miraculous that the Jewish people have built a thriving and majestic democracy despite two thousand years of persecution and exile.

It is unfortunate that a Jewish family dedicated to this cause is newsworthy. This is an endeavor that everyone needs to be involved in. It is even more unfortunate that some in the news media try to find any sort of negativity or malfeasance in the activity of a family that gives so much to the one and only Jewish State in the world and to numerous other charities benefitting thousands of individuals elsewhere. Nevertheless, we are undeterred and will continue to support the State of Israel, the Land of Israel, and its people.

Q. What about your donations in Hebron that seem associated with Baruch Marzel and other supporters of the late Rabbi Meir Kahane?

In Hebron, we primarily sponsor two food trucks called “Café Achi Achi,” which provide free pizza, coffee, ice cream and snacks to IDF soldiers serving in the region 24/6. It is a beautiful project that we are proud to support.

In looking to donate to a cause, it is impossible to find causes and people who you agree with on every aspect of their philosophy or approach. I look at each opportunity individually. Baruch Marzel may have a provocative reputation in the news media, but just last week the Supreme Court of Israel exonerated him and even allowed him to run for the Knesset. We – and you – should trust the judgment of one of the world’s most respected judicial bodies. Additionally, thanks to Baruch Marzel and others from the Jewish community in Hebron, it is possible today for people of all denominations to visit the Cave of the Patriarchs. While I may not agree with everything he has said, the work we have done that has been affiliated with the Hebron community has been positive, non-controversial and enhances Jewish life in the Hebron area – which we strongly support.

Q. What percentage of your charity activity supports causes beyond the Green Line?

I've been to Israel hundreds of times and I've never seen a "green line." The line you refer to is not a border. As you know, it was simply a demarcation line setting out the armistice agreements between Israel and its neighbors who had just attacked her a year earlier. After Jordan illegally occupied the area between 1948 and 1967, Israel justifiably defeated her attackers and won back the land in the famous Six-Day War of 1967. I support Jewish life all over the world, and particularly in Israel. The "green line" does not change the fact that Jews have the right to live anywhere in the world, and certainly in Israel.

Q. Can you provide background on DFA? How many stores? How many countries?

Duty Free Americas and its related companies own and operate duty free retail stores in the United States, South America, Central America, the Caribbean, Macau, China, and Ovda Airport in Eilat. The following is a link to a recent article about DFA published in the preeminent travel retail trade publication, The Moodie Report:
<http://ezine.moodiedavittreport.com/dfa/the-moodie-davitt-ezine-dfa/>

Specific questions:

1. According to our records, based on public reports filed to Israel State Comptroller, your family has donated over \$100,000 to Netanyahu over the past decade. Is this sum correct? If not, what is the correct amount? Why did you support him? Are you supporting any candidates in the current election? Why or Why not?

All political donations are a matter of public record. When you refer to donations by "my family," it is important to note that you are referring to donations from approximately 10 different individuals. According to my records, the last time I donated to the Prime Minister was in 2014. I am a big supporter of Prime Minister Netanyahu, as he is an unparalleled leader who has led Israel to the period of unprecedented prosperity and security that Israel enjoys today.

I have not participated in the current Israeli election.

2. According to our records, based on public records from the U.S., your family supported American candidates across the political spectrum with over \$1.7 million throughout the years. How do you decide which candidates to support?

All political donations are a matter of public record, and your reference to donations by "my family" includes donations from approximately 10 different individuals. As you will find, we have donated to a wide variety of candidates on both ends of the political spectrum. We support Democrat and Republican politicians and candidates who we

believe best represent the constituents where we live and/or operate businesses. We also believe it is important to support those who support the Jewish people and Israel.

3. Based on public reports from Israel (via the Nonprofit Register) and from the US (990 reports), during the decade ended 2017, it appears your family's giving was about \$35 million - \$20 million through the U.S. Falic Family Foundation and about \$15 million through the Israeli-based Segal Foundation. Are these numbers correct?

Charity (or tzedakah) is an essential part of our religion and who we are as a family, and what we like to teach our children. Over the years, we have been fortunate to have donated millions of dollars to different charities primarily in the U.S. and Israel through our foundations. There are too many to list, but by way of example, over the years, we have donated approximately:

- **\$11 million to Friends of the IDF (FIDF), including \$1.7 million to build synagogues on IDF bases, \$1.1 million to build medical clinics, \$1.1 million for the spiritual needs of the soldiers, \$700,000 to sponsor 44 former IDF soldiers' university tuition, and \$250,000 to build a special facility for Druze soldiers;**
- **\$8 million to Chabad institutions around the world;**
- **\$4 million to Women's International Zionist Organization (WIZO);**
- **\$2 million to Jewish Day Schools;**
- **\$1.6 million to Western Wall Heritage Foundation, primarily to sponsor development of the visitors' center at the Kotel, as well as annual Jerusalem Day festivities;**
- **\$1 million to organizations that build bridges between Jewish and Christian Zionist communities;**
- **\$600,000 to the Yeshiva Mitzpeh Yericho;**
- **\$500,000 to Birthright;**
- **\$400,000 to the Synagogue and Mikvah in Talmon (Kerem Reim) - in the name of my father z"l and my daughter's friend who died of cancer;**
- **\$350,000 to ALEH, which provides medical, educational and rehabilitative care to children with intellectual and developmental disabilities;**
- **\$300,000 to Nicklaus Children's Hospital (formerly Miami Children's Hospital);**
- **\$300,000 to United Hatzalah, which unites Jews, Christians and Arab volunteers in providing free emergency medical support to all;**
- **\$250,000 to the Synagogue in Givat Zeev - in the name of a bereaved family that lost two sons during their IDF service; and**
- **\$250,000 to the Holocaust Survivors' Fund**

Additionally, we host two major events each year, including an annual golf tournament, (<https://www.moodiedavittreport.com/duty-free-americas-and-falic-family-foundation-support-childrens-tumor-foundation-with-us325000-donation/>) which has benefitted the Children's Tumor Foundation, Nicklaus Children's Hospital (formerly Miami Children's Hospital), United Community Options of South Florida, and Breast Cancer Research Foundation. Our foundation also hosts an annual gathering of thousands of Jewish

elementary and middle school children from South Florida to celebrate Israel's Independence Day at the Miami Marlins Stadium. (See, <https://wsvn.com/news/local/thousands-gather-at-marlins-park-to-celebrate-israels-70th-birthday/>).

4. It appears the Segal Foundation received its funds mainly through Panamanian-based companies. Why?

A number of the companies we own are headquartered or operate from Panama. We have a strong connection to Panama, which has a robust Jewish community of over 12,000. Among other things, in Panama we employ several hundred people, have several partners, and operate duty free retail, news and gifts, and food services at Tocumen International Airport. As a family, we have a strong connection with Panama, and my wife grew up there. We have also donated significant funds to Jewish institutions in Panama in support of the community.

More can me read on this topic at: <http://ezine.moodiedavitreport.com/dfa/the-moodie-davitt-ezine-dfa/>

5. Why was the Segal Foundation established when the U.S.-based foundation could support the same causes?

There is no particular reason other than structural. The only variance is that the foundations are funded by different businesses and fundraising activities.

6. Is the amended 2017 990 form you provided finalized? Can you provide records for previous years? The earlier 990s give very few details on the U.S. foundation's donations.

The amended 2017 Form 990 has been finalized. Prior Form 990s will be filed shortly, but the charities listed in them will be very similar to the amended 2017 Form 990 that was provided to you (those charities are also set forth in my response to question no. 3).

7. Records for the Segal Foundation also give very few details. Can you provide a list of charities that the foundation has supported and donations it has made in the last decade? If not – why?

See response to question no. 3.

8. According to our review of Israeli documents, the Segal Foundation has contributed over \$5 million to nationalist settlement causes over the past decade. Does that figure seem correct?

I am not sure what you mean by "nationalist settlement causes," so I cannot answer this question.

9. Among the donations we found: About \$600,000 to Hachnasat Orchim Hebron, a hospitality group in which the Marzels are deeply involved.

Our donations to this program help defray the cost of hospitality and food for visitors to the Cave of the Patriarchs in Hebron, and for IDF soldiers who serve in the area 24/6. We also sponsor two food trucks called “Café Achi Achi,” which provide free pizza, coffee, ice cream and snacks, as well as cellphone charging stations for the soldiers. It is a beautiful project that we are proud to support.

Baruch Marzel may have a provocative reputation in the news media, but just last week the Supreme Court of Israel exonerated him and even allowed him to run for the Knesset. We – and you – should trust the judgment of one of the world’s most respected judicial bodies. Additionally, thanks to Baruch Marzel and others from the Jewish community in Hebron, it is possible today for people of all denominations to visit the Cave of the Patriarchs. While I may not agree with everything he has said, the work we have done that has been affiliated with him has been positive and non-controversial and enhances Jewish life in the Hebron area – which we do support.

10. There is also \$20,000 to the kolel at the Cave of the Patriarchs, whose board includes Rabbi Ido Alba, who was convicted of incitement to racism; \$50,000 to the “Fund for the Rescue of the People of Israel,” a fund-raising arm of the anti-assimilation group Lehava. Do you support Lehava’s tactics of violently confronting mixed Jewish-Arab couples?

We have donated to the Kolel at the Cave of the Patriarchs, as we would like to encourage Jewish life in Hebron. I do not know Rabbi Ido Alba, and I am not aware of who is on the board of the Kolel.

I unequivocally and forcefully deny any insinuation that I support any anti-Arab ideologies or movements. While most of my charity is for the direct benefit of the Jewish people, my family and I have donated to, and will continue to donate to, numerous causes which expressly benefit Jews, Christians, and Muslims alike, including WIZO, various hospitals, facilities for Druze soldiers, and more.

I vehemently oppose any tactics of violence and other illegal activities. I do, however, believe in the simple concept that Jews should marry other Jews. If intermarriage rates do not begin to drop around the world, the problems Jews are facing will only continue to grow. Again, let me make it clear that I do not support or agree with any tactics of violence or any illegal activities.

We do not know the “Fund for the Rescue of the People of Israel” to be the fund-raising arm of Lehava, as you assert in your question. Our donations to this fund were given between 2011 and 2012 and were allocated for needy families who were specifically approved by the fund and our Foundation.

11. What is your relationship like with Rabbi Eli Sadan? He is an Israel Prize laureate, but also has drawn controversy for anti-women and anti-gay comments, such as calling to “exterminate” homosexuality.

We have built facilities and supported the B'nai David *mechina* program. I have had no knowledge of any anti-women or anti-gay comments from Rabbi Sadan. In fact, because your question alarmed me, I asked Rabbi Sadan, and he strongly denied those allegations in the attached letter.

I unequivocally deny any allegation or inference that I adhere to or support any anti-gay, anti-women, or anti-Arab ideology or belief. In fact, the very opposite is true. While most of my charity is for the direct benefit of the Jewish people, my family and I have donated to, and will continue to donate to, numerous causes which expressly benefit Jews and Arabs alike, and which do not discriminate against anyone on any basis including their race, sex, religion, age, or sexual orientation. We do not accept discrimination against anyone in any aspect of our personal lives, businesses or philanthropy.

12. There was over \$100,000 for the synagogue and mikveh in Kerem Reim at a time when it was an unauthorized outpost. During our conversation you mentioned that you support only legal entities. However, this outpost was only legalized in 2017, long after your donations supported its construction. Why did you support this project?

All of these donations were entirely legal. Any insinuation or allegation to the contrary is patently false and defamatory. Kerem Reim is a Jewish town that was established in the name of 3 boys who were kidnapped and murdered. We donated a synagogue in my father's name and a mikveh in memory of a cancer victim.

13. In 2017, the Israeli registrar for nonprofits criticized the Segal Foundation for its lack of transparency. Have you made any changes since then?

The Segal Foundation is fully compliant with Israeli law in all aspects, including in its reporting. In fact, the Foundation provided all required information and documents to the government and received its "Ishur Minhal Takin" without incident. Attached is a letter from the Segal Foundation's attorney clarifying this issue.

14. What is your involvement with Psagot and Mishkan Shilo? Why did you choose those projects?

My family and I are investors in the Psagot Winery. We decided to make this investment for business reasons. Just as Jews have the right to live anywhere in the world, Jews have the right to do business anywhere in the world – even more so in Israel. Psagot Winery is situated in the northern Jerusalem mountain range. It was founded in 2003 and has grown continually ever since. By the time of the 2018 harvest, the winery was producing 350,000 bottles annually, about 70% of which are exported to dozens of countries around the world. The winery produces more than 11 types of quality wine, recognized year after year with medals and prizes from prestigious international competitions. The winery also serves as a visitors' center for the Binyamin region, and regularly hosts groups of all faiths and nationalities.

We made a donation to the project in Shilo, the first capital of the Jewish people, in partnership with the Israeli government to support the Tel Shilo archeological site and to create a tourist attraction in this historical place which is of great importance to all three major religions. The government project was reported on by Haaretz in 2012: <https://www.haaretz.com/1.5187794>. In fact, I understand that the majority of tourists to Tel Shilo today are Christians. We believe that archeology plays a big part in the modern State of Israel, as it helps us all understand why we are in the land of Israel today.

Here is a link to an article about the recent visit of Prime Minister Netanyahu and Governor Mike Huckabee visiting the site:
http://www.pmo.gov.il/English/MediaCenter/Events/Pages/event_shilo190319.aspx

15. We found over \$100,000 to the Temple Institute and Temple Mount Heritage Fund. Do you support the right for Jews to pray on the Temple Mount or the establishment of a Third Jewish Temple?

Neither my family nor I have ever even visited the Temple Mount. The Temple Mount is the only place in Israel which does not have freedom of religion. It is ludicrous that in the center of Israel's capital, Jerusalem, in the very place where the Jewish Temples stood, Jews and Christians are being arrested for praying. This must change. Jews who would like to pray on the Temple Mount should certainly be permitted, and those who incite, throw stones, and act violently to intimidate others should be arrested by the police.

Regarding the establishment of the Third Temple, this is not something in which we are involved. It is an issue for the rabbis to figure out. Unfortunately, rabbis of different sects today cannot seem to agree on anything at all.

16. There was over \$600,000 for Ateret Cohanim. What attracted you to this group?

I believe that Jews have the right to live anywhere in the world. We have supported Ateret Cohanim's efforts to bring Jewish life back to all of Jerusalem, through the simple, straightforward process of legally purchasing properties and encouraging Jewish families to move to all areas of Jerusalem. Of course, Jewish life does not mean that others cannot live in these areas as well, but it is important to note that if Arabs are caught selling properties to Jews, a warrant is issued by their fellow Arabs authorizing the execution of a judgment of death. See: <https://www.algemeiner.com/2018/10/22/for-palestinians-selling-land-to-a-jew-is-punishable-by-death/>

17. What is the purpose of your support for Dror Mesimot Leumiyot, a group that has supported anti-gay causes and campaigned against enlisting women in the IDF?

I do not know this organization or the rabbis that Uri mentioned who are supposedly involved. Uri stated that this supposed donation is through a gas station business of which

I am a minority partner. I reached out to the majority partner, and he was also not aware of this organization or the amount mentioned by Uri.

Let me repeat that I unequivocally deny any allegation or inference that I adhere to or support any anti-gay, anti-women, or anti-Arab ideology or belief. In fact, while most of my charity is for the direct benefit of the Jewish people, my family and I have donated to, and will continue to donate to, numerous causes which expressly benefit Jews, Christians, and Muslims alike, and which do not discriminate against anyone on the basis of their sexual orientation. We do not accept discrimination against anyone in any aspect of our personal lives, businesses or philanthropy. Additionally, we firmly support the right of all women to enlist in the IDF, and I encourage my granddaughters to enlist one day, as well.

Josef, given the level of access that we are providing you in investigating your piece, we are certain that anything you publish that relates or refers to Mr. Falic, his family, and the Falic Family Foundation will be completely accurate and unbiased. Of course, if the story includes any untruthful or defamatory statements, we will have no choice but to protect Mr. Falic and his family's name and reputation through legal means. However, we trust that this will not be the case and that you will adhere to all applicable journalistic, ethical and legal standards.

Sincerely,

/s/ David Taney, Esq.

cc: Simon Falic